

Message Text

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14-11

ORIGIN XMB-04

INFO OCT-01 ARA-10 ISO-00 AID-05 CIAE-00 COME-00 EB-07

FRB-01 INR-07 NSAE-00 TRSE-00 OPIC-06 SP-02 CIEP-02

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DRAFTED BY XMB TPDUGHTY

APPROVED BY EB/OCA/REP LAKLIEFORTH

XMB EJO'OCONOR VICE PRESIDENT LATIN AMERICAN

XMB WWGLICK ACTING EXECUTIVE VICE PRESIDENT

EB/IFD/ODF: BGCROWE

ARA/AMM P MATHERSON INFO

----- 003405

R 212104Z FEB 75

FM SECSTATE WASHDC

TO AMEMBASSY BUENOS AIRES

UNCLAS STATE 039706

E.O. 11652: N/A

TAGS: EGEN

SUBJECT: EXIMBANK FINANCING FOR U.S. GOODS AND SERVICES FOR
SOMISA PROJECT

1. EXIMBANK HAS AUTHORIZED A \$2,594,250 CREDIT TO FERROSTALL A.G. OF ESSEN, GERMANY, TO FINANCE 45 PERCENT OF THE COSTS OF U.S GOODS AND SERVICES REQUIRED FOR A PROJECT TO ADD A THIRD VESSEL TO THE BASIC OXYGEN FURNACE STEEL SHOP OF SOCIEDAD MIXTA SIDERURGIA ARGENTINA ("SOMISA"). WHILE AGREEMENT FOR THE USE OF THE FUNDS PROVIDED BY EXIMBANK WILL BE MADE BETWEEN EXIMBANK AND FERROSTALL THE OBLIGOR FOR REPAYMENT OF THE CREDIT AND INTEREST THEREON WILL BE SOMISA.

2. TERMS CALL FOR FERROSTALL (NOT SOMISA) TO MAKE A CASH PAYMENT OF 55 PERCENT OF THE COST OF \$3,170,750. REPAYMENT OF EXIMBANK'S CREDIT WILL BE MADE SEMIANNUALLY OVER A PERIOD OF 10 YEARS COMMENCING MAY 5, 1978.

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3. EXIMBANK HAS ALREADY ADVISED FERROSTALL OF THIS ACTION AND FERROSTAAL WILL COMMUNICATE IT TO SOMISA. EMBASSY MAY, HOWEVER WISH TO INFORM GENERAL MAGLIO, SOMISA'S PRESIDENT, OF THE ACTION AND THAT EXIMBANK IS PREPARING A NEWS RELEASE INCLUDING THE ABOVE DETAILS FOR ANNOUNCEMENT HER NEXT FEW DAYS. EMBASSY WILL BE PROVIDED FINAL TEXT OF RELEASE PRIOR TO WASHINGTON RELEASE.

4. OTHER THAN DISCUSSION WITH SOMISA EXIMBANK REQUESTS THAT ABOVE INFORMATION BE WITHHELD PRIOR TO PREPARED PRESS RELEASE.
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Message Attributes

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Margaret P. Grafeld
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